



# CIC

COOK INLET COMMUNICATIONS

November 4, 1996

By Hand Delivery

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M. Street, NW  
Washington, DC 20554

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NOV 4 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Re: Written Ex Parte Presentation -  
CC Docket No. 92-297

Dear Mr. Caton:

Cook Inlet Communications, Inc. (CICI") hereby gives notice of a written ex parte presentation in the above referenced proceeding. The presentation was made in the form of the attached letter.

CICI delivered the attached letter to Chairman Hundt and Commissioners Quello, Ness, and Chong.

Two copies of the letter are included with this notification pursuant to Section 1.1206(a) (1) of the Commission's Rules, 47 C.F.R. § 1.1206(a) (!).

Sincerely,

Steve C. Hillard  
Vice President

Enclosures



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COOK INLET COMMUNICATIONS

November 4, 1996

Reed E. Hundt, Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, D.C. 20554

Via Hand Delivery

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Re: FCC Bidding Eligibility Issues for LMDS

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Dear Chairman Hundt:

Cook Inlet Communications, Inc. (Cook Inlet) believes that Local Multipoint Distribution Service (LMDS) is a profound new way for local telecommunications and video competition to take hold, as well as for Native American, other minority-owned, and women-owned participation in the media to expand.

As you know, the FCC is about to call for the auction of an unprecedented and huge block of over 1300 MHz of spectrum which will be capable of providing voice, data, and video services in a bundled services offering in direct competition to what both cable and telephony provide today. We believe, that as one of a new generation of start-up companies in this area, Cook Inlet can deliver significant new local tele-media alternatives for consumers throughout the Nation.

The FCC is now considering whether to issue a temporary restriction on LEC and MSO bidding in-region where these incumbent providers do not yet face effective competition. *We believe that such a restriction is in the public interest and is clearly pro-competitive at this time in the local telecommunications marketplace.*

*Public Interest:* LMDS can infuse a new "diversity of media voices" at the local level, which is a fundamental element of both Congressional and Commission policy. The LMDS bundle of services includes a significant broadcast component, and as such, it can expand minority ownership in an area where participation and ownership by diverse groups of Americans have been limited, and in fact, are now declining. A restriction on incumbent bidding in a local market where they already exert control would ensure new voices and players in a local media.

*Pro-Competition:* LMDS is a new capability that can provide direct, facilities-based competition for both cable and telco services, almost immediately. We hope the Government does not rely solely on the detailed and painstaking regulation of

Chairman Hundt  
November 4, 1996  
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unbundling and interconnection to further competition. With LMDS the FCC has a unique added opportunity to help new competitors take hold via a new technology by limiting, on a temporary basis, participation by powerful incumbents who do not yet face real competition. And with competition, new LMDS companies will create greater consumer choice. Where LECs and MSOs do not have local properties, or where they do (and face genuine competition today), they should, of course, be allowed to bid. In most cases, a bidding exclusion will still allow any of today's major LECs or MSOs to bid throughout over 80% of the Nation where they do not exert control.

As you know, Cook Inlet has a proud history of serving its local broadcast markets well. One example is our Nashville NBC affiliate, WSMV-TV, where we were perennially recognized as the nation's most honored television station. Similar recognition from the local and national community have followed our stations in other broadcast markets, including WTNH-TV (ABC in New Haven) and WPGC-FM, the number one radio station in Washington D.C. during our ownership.

We believe therefore, that a substantial Designated Entity program is appropriate for LMDS. The FCC's "very small company" bidding preferences will help to promote minority involvement. These rules, combined with temporal and geographically circumscribed restrictions for incumbents that do not yet face competition, together are the best ways to ensure new media voices, diverse ownership, and expanded consumer choices taking hold soon, as was intended by Congress.

We understand that the Justice Department, the NTIA, the staff of the FTC and 17 states have written to the FCC to specifically support incumbency restrictions for LMDS. We support all of these voices as well.

Finally, as with many important decisions facing the Commission, there is always a difficult choice between "split the difference" paths and more pro-active, industry-leadership paths. We think that, in this case, a Commission decision clearly adopting the temporary restrictions noted above will give direction and leadership to fulfilling the pro-competition and pro-diversity goals of Section 309(j) of the Act. By providing for meaningful restrictions on current market limitations, the Commission will further its (and Congress') explicit goal of avoiding undue concentration of licenses and ensuring distribution of licenses among a wide variety of applicants.

Thank you for allowing us to present our views to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve C. Hillard", with a stylized flourish at the end.

Steve C. Hillard  
Vice President

cc: Jackie Chorney